

## Employee benefits in kind

### Car scale benefit

This benefit is assessed on a percentage of a car's price according to level of carbon dioxide emissions.

2011/12		2011/12	
CO <sub>2</sub> emissions in grams per kilometre	Percentage of car's price taxed	CO <sub>2</sub> emissions in grams per kilometre	Percentage of car's price taxed
<75	5	175	25
75	10	180	26
120	15	185	27
130	16	190	28
135	17	195	29
140	18	200	30
145	19	205	31
150	20	210	32
155	21	215	33
160	22	220	34
165	23	225	35
170	24		

Further reductions may apply for LPG, bi-fuel, E85 and hybrid cars. Supplement if car runs on diesel (unless Euro Standard IV and registered by 1.1.06) add 3% subject to a maximum charge of 35%.

### Car fuel benefit 2011/12

This calculation is based on the percentage in the above table according to the car's CO<sub>2</sub> emissions applied to a standard figure of £18,800 pa. Zero emission cars, incl electricity only: no taxable benefit from 6 April 2010.

**Vans:** £3,000 plus £500 if fuel provided.

## Mileage allowances

No taxable benefit arises, irrespective of engine size, on the following reimbursement rates:

Cars	first 10,000 business miles	45p
	excess business miles	25p
	each passenger making same business trip	5p
Motorcycles		24p
Bicycles		20p
<b>Advisory fuel scale</b>	<b>Petrol</b>	<b>Diesel</b>
1,400 cc or less	14p	13p
1,401 cc to 2,000 cc	16p	13p
Over 2,000 cc	23p	19p

Petrol hybrid cars are treated as petrol cars for this purpose.

## Inheritance Tax

Rates of tax	Death rate	Lower (lifetime) rate
For 2011/12		
Up to £325,000	NIL	NIL
Thereafter	40%	20%

### Major exemptions

	2011/12 and 2010/11
Gifts to UK domiciled spouse	Unlimited
Gifts to non-UK domiciled spouse	£55,000
Gifts to charities	Unlimited
Annual gifts per donor	£3,000
Small gifts to different individuals	£250 each
Recurring gifts out of income	depends on income
Agricultural property relief	
Vacant possession obtainable within 24 months	100%
Landlord's interest in let farmland	50%
– for new tenancies let after 31.8.95	100%
Business property relief	
Unincorporated businesses	100%
Unquoted shares in a company	100%
Personal assets used in your own business	50%
Gifts on marriage	
By parent	£5,000
By remote ancestor or party to marriage	£2,500
By other person	£1,000

From 06.04.12 there will be a reduced Inheritance Tax rate of 36% where 10% or more of the net estate is left to charity.

## National Insurance Contributions

### Class 1 Employees

#### Lower Earnings Limit

**£102 weekly / £442 monthly / £5,304 yearly**

There is no liability for either employees' or employers' contributions if earnings are below these limits.

For earnings between the lower earnings limit and the secondary threshold although no NICs are actually paid they are treated as having been paid for the purposes of claiming benefits.

### Secondary Threshold (Employees & Employers)

**£136 weekly / £589 monthly / £7,072 yearly.**

For earnings between the secondary threshold and the primary threshold National Insurance becomes payable by the employer but not the employee.

### Primary Threshold (Employees & Employers)

**£139 weekly / £602 monthly / £7,225 yearly.**

### Upper Accrual Point

**£770 weekly / £3,337 monthly / £40,040 yearly.**

### Upper Earnings Limit

**£817 weekly / £3,540 monthly / £42,475 yearly.**

Applies to employees only.

### Not Contracted-out rates on the following bands of weekly earnings

Employee	Employer
£0.00 to £102.00	Nil
£102.01 to £136.00	0%
£136.01 to £139.00	0%
£139.01 to £817.00	12%
Over £817.00	2%

### Contracted-out rates on the following bands of weekly earnings

Employee	Employer
COSR	COMP
£0.00 to £102.00	Nil
£102.01 to £136.00	0%
£136.01 to £139.00	0%
£139.01 to £770.00	10.1%
£770.01 to £817	10.1%
Over £817.00	12%
	13.8%
	13.8%

**Employer contribution** - COSR above relates to contracted-out salary-related schemes and COMP to contracted-out money purchase schemes.

**Class 2 - Self employed individuals** £2.50 a week.

Earnings under £5,315 per annum are exempted.

**Class 3 - Voluntary Contributions** - £12.60 a week, for protection of benefits by those not liable under Class 1 or 2.

**Class 4 - Self Employed Individuals** - 9% on assessable profits between £7,225 and £42,475 a year. 2% above £42,475.

## Tax rates 2011/12



[www.critchleys.co.uk](http://www.critchleys.co.uk)

Oxford t: 01865 261100  
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## Income Tax rates

	Taxable income	Rate	Tax on band
<b>2011/12</b>	£0 - £35,000 **	20%*	£7,000
	£35,000 - £150,000	40%	
	£150,000+	50%	
<b>2010/11</b>	£0 - £37,400 **	20%*	£7,480
	£37,400 and above	40%	

\* Dividends 10%/32½% for higher rate and 42.5% for additional rate.

\*\* 10% starting rate of £2,560 applies to savings income only.

40% tax rate reached if total income exceeds £42,475

Annual charge for non-domiciliaries claiming remittance basis: £30,000 (de minimis income: £2,000)

## Personal allowances

	2011/12	2010/11
<b>a) Given at marginal rate of Income Tax:</b>		
Personal allowance up to 65 years	£7,475 <sup>+</sup>	£6,475
Personal allowance 65 to 74 years	£9,940*	£9,490*
Personal allowance over 75 years	£10,090*	£9,640*
Blind person's allowance	£1,980	£1,890
Rent-a-room tax free home income	£4,250	£4,250
<b>b) Relief restricted to 10%:</b>		
Married couple's allowance		
Aged 75 and over	£7,295*	£6,965*
Minimum amount	£2800	£2,320

+ Allowance abated by £1 for every £2 income over £100,000 p.a.

\* Age reliefs abated by £1

for every £2 income over £24,000 £22,900

## Savings products

	2011/12	2010/11
Enterprise Investment Scheme		
Income Tax Investment limit	£500,000	£500,000
Income Tax Relief	30%	20%
Venture Capital Trusts	£200,000	£200,000
Income Tax relief	30%	30%
CGT deferral	No	No
Individual Savings Account (ISA) Maxi	£10,680	£10,200
Stocks and Shares Mini	£5,340	£5,100
Cash limit - Mini ISA	£5,340	£5,100

## Stamp Duty Land Tax

<b>a) on land transactions</b>	
£0 - £125,000 (residential)	nil
£0 - £150,000 (disadvantaged areas or non-residential)	nil
£125,001 - £250,000	1%
£250,001 - £500,000	3%
£500,001 or over	4%
Over £1,000,000 (residential)	5%

<b>b) on granting of lease, % of NPV*</b>	
residential: 1% of excess over £125,000	
other: 1% of excess over £150,000	

\*on net present value of rents over term of lease (applying 3.5% discount rate)

## Stamp Duty (including SDRT)

Transfer of stock and marketable securities	0.5%
No charge unless duty exceeds £5	

## Capital Gains Tax

	2011/12	2010/11
<b>Rates of tax</b>		
Individuals - gains up to basic rate limit	18%	18%
- gains above basic rate limit	28%	28%
Trusts	28%	28%
<b>Exemptions</b>		
Individuals and most estates	£10,600	£10,100
Most trusts	£5,300	£5,050
Chattels (2/3 taxable on excess)	£6,000	£6,000

Companies' indexation allowance continues to be calculated to month of disposal.

## Entrepreneurs' Relief

Entrepreneurs' relief is available on disposals of certain business assets if held for at least one year. Effective tax rate of 10% on gains up to lifetime allowance of £10,000,000.

## Corporation Tax

**Financial year 2011 ie 1.4.11 to 31.3.12**

First	£300,000	at 20%	=	£60,000
Next	£1,200,000	at 27.5%	=	£357,000
Above	£1,500,000	at 26%		

**Tax payment dates**

a) Large companies pay CT by four equal instalments which are due 6½, 9½, 12½ and 15½ months after the start of each accounting period. Large companies are defined as those with profits greater than £1.5 million. This figure is divided by 1 + the number of associated companies, and reduced proportionally if the accounting period is less than 12 months.

b) Other companies pay the whole CT liability nine months after the end of the accounting period.

## VAT

	2011/12	2010/11
Standard rate to 20/1/12	20%	17.5%
Standard rate from 4/1/11		15%
Reduced rate	5%	5%
Annual registration limit	£73,000	£70,000
Deregistration limit	£71,000	£68,000
Cash accounting entry limit	£1,350,000	
Cash accounting exit limit	£1,600,000	
Annual VAT returns entry limit	£1,350,000	
Annual VAT returns exit limit	£1,600,000	
Flat rate scheme, max VATable turnover	£150,000	

## VAT Fuel Scale Charge

The fuel scale charges are based on CO<sub>2</sub> emissions rather than engine size (there are 22 bands).

The new scale charges will be effective from the first accounting period beginning on or after 1 May 2011.